



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 24, 1996

Brent Northrup
Bureau of Land Management
San Juan Resource Area
P. O. Box 7
Monticello, Utah 84535

Re: Notice of Intention to Commence Small Mining Operations, Golden Horse #2 Project, S/037/091, (UTU-72565) San Juan County, Utah

Dear Mr. Northrup:

Thank you for forwarding the Notice for Alva Rockwell's (Sandfill Corporation), Golden Horse #2 Project, located in Section 1, T30S, R21E, San Juan County, Utah. Your agency's designated number for this project is UTU-72565.

The Division has evaluated the above mentioned Notice under the Small Mining Operation section of our Rules. The Notice meets the requirements of Rule R647-3 of the 1988 Division of Oil, Gas and Mining Minerals Rules, and Title 40-8, et seq., of the Utah Mined Land Reclamation Act of 1975. No additional information is required from the operator by the Division at this time.

The proposed operation includes the creation of an excavation into a hill side to extract 50 to 500 tons of ore material which will be hauled along existing roads to a stockpile area. The ore from the stockpile will then be loaded onto large trucks for haulage off site. Topsoil existing at the excavation area will be removed and set aside for use in final reclamation. Estimated project disturbance is one acre for the stockpile area and four acres for the mining area.

It is understood that the Division will notify your office of any permitting concerns we may have, and in turn, your office, acting as "Lead Agency" will notify the operator accordingly. Please forward a copy of the enclosed page three of our Small Mining Operation Notice of Intention form titled "IV. Operation and Reclamation Practices." By accepting this Notice the Division expects the operator to comply with the practices listed on this page. If

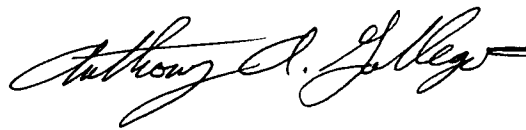


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the operator cannot comply with these practices, then a variance request must be provided to the Division. This request would include the particular practice which the operator cannot comply with and an explanation describing the reasons why they cannot comply. A variance request is not required for the practices which refer to features which are nonexistent at the project site.

Please provide us with a copy of your final completeness/approval letter to the operator. In addition, if you receive additional information or amendments for this operation, please notify us so we can update our files. Please reference our designated file number S/037/091 when forwarding additional information on this project to us. Thank you for your assistance and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Gallegos", with a horizontal line extending from the end of the signature.

Tony Gallegos
Senior Reclamation Specialist

jb

Enclosure: page 3/4 of SMO-NOI form "IV. Operation and Reclamation Practices"

cc: Alva Rockwell, Sandfill Corp.
Roger L. Bon, UGS
Tracking File

S037091.noi